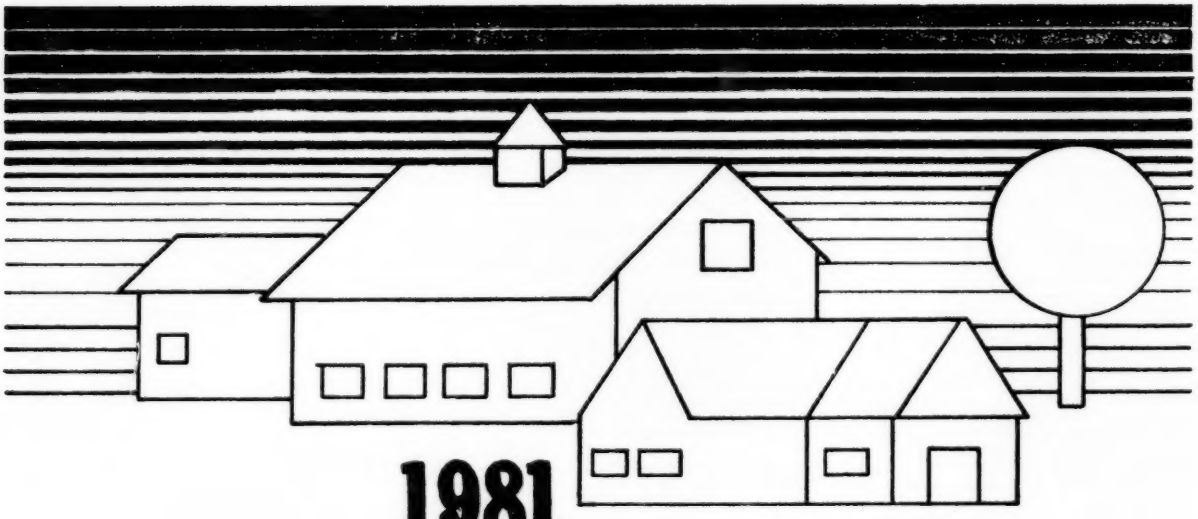
NOVA SCOTIA

Swine Farm Business Summary



1981

FARROW TO FINISH

P R E F A C E

The 1981 Nova Scotia Swine Farm Business Summary is a synopsis of the business performance of forty-five (45) Nova Scotia Swine Farms.

The farms used in this summary were not selected on a random sample basis. Instead, farmers volunteered their data for use in the summary. Since this is not a random sample selection of farms, care should be exercised in the use and interpretation of the results shown in the various tables of this summary.

Despite this limitation, farmers can compare their individual results with group average figures for farms with similar characteristics. Such comparison can provide the farm manager with useful information that can be used in management decisions. However, the best information is the farmers own records and comparison of these from one year to the next.

We gratefully acknowledge the co-operation of the forty-five (45) swine producers who participated in this summary.

We further acknowledge the efforts of Jamie Oxley, Agriculture Canada for the computer work; Shelley Manning who gathered the data and along with Debbie Freeman prepared the data for this summary; and Tracey Mitchell for the secretarial work.

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Rollie L. Hayman, Supervisor
Farm Management

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Section A

Introduction

INTRODUCTION

The Nova Scotia Swine Farm Business Summary is designed to provide bench mark information that can be used to compare the financial strength and weakness of individual swine farms with similar characteristics. Farm Business Analysis is an important function of the farm manager-operator. When analysing the farm business, you must ask meaningful questions regarding the costs, incomes, efficiencies and capital investment found in your business. This summary is designed to assist you with those questions and to provide you with basic information for comparison purposes. By identifying the strengths of your business and building on these, you should be able to enhance the profit picture of your farm business. By identifying the weakensses of your business and taking corrective action, the profit picture should also be improved.

Standards of performance and business progress are matters of personal choice and family goal setting. Each farm situation will have a different set of goals or objectives - a different set of values that you feel must be met through the farm business. It is for each of you to identify these and then compare your performance in achieving these objectives.

There are several ways that you can compare your farm performance. These include:

- You can compare your performance this year to that of last year. This perhaps is the best comparison. Have you progressed in reaching the goals you have set for your farm business.
- You can compare your performance with group average data for farms of similar size and general characteristics. This report may be useful in this regard.
- You can compare your performance to that found by research - realizing that the research data was obtained under a special set of conditions.

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In 1981, there were a total of 186 swine producers in Nova Scotia. Basic data for this summary was prepared from forty-five (45) of these farms from throughout the Province. These forty-five (45) farms represent 26 percent of the total swine farms in the Province.

In terms of production, the farms included in this summary produced a total of 90,945 hogs. The total for the Province was 209,324 head. Hence, in production terms, farms in this summary comprise 43.4 percent of the total hog production in Nova Scotia in 1981.

The forth-five (45) swine farms in this summary were classified into three (3) groups according to herd size. These groups were: (1) 20-99 Sows, (2) 100-199 Sows, and (3) 200 Plus Sows. Sections "B" through "E" provide income, expense and production information on the various groups.

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Section B

20-99 SOWS

RECEIPTS

In this size group receipts from the sale of hogs averaged 85.0 percent of Total Farm Receipts. Of this amount, market hog sales accounted for 95.3 percent, cull sows and boars 2.5 percent, breeding stock sales 0.7 percent, weanling sales 0.9 percent and other hogs 0.6 percent.

Total Farm Receipts amounted to $145,953. on a per farm basis or $2,122. on a per sow basis.

TABLE B-1: RECEIPTS

ITEM	PER FARM	PER SOW
Market Hogs	$ 118,313.	$ 1,720.
Weanlings	1,057.	15.
Gilts - Breeding Stock	699.	10.
Boars - Breeding Stock	123.	2.
Cull Sows	3,005.	44.
Cull Boars	188.	3.
Other Hogs	743.	11.
TOTAL HOG SALES	$ 124,129.	$ 1,804.
Stabilization	$ 6,315.	$ 92.
Subsidies	9,290.	135.
Other Income	6,219.	90.
TOTAL FARM RECEIPTS	$ 145,953.	$ 2,122.

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EXPENSES

Purchased feed was the largest item of cost and accounted for 74.5 percent of Cash Expenses. In dollar terms, feed amounted of $1,357. on a per sow basis.

Feed was followed by interest on operating loans at 5.3 percent, hired labor at 4.2 percent, utilities at 3.0 percent, and miscellaneous at 2.5 percent of Cash Expenses.

TABLE B-2: EXPENSES

ITEM	PER FARM	PER SOW
Feed Purchased	$ 93,372.	$ 1,357.
Swine Purchased	2,210.	32.
Hired Labor	5,312.	77.
Bedding	208.	3.
Vet & Drugs	1,027.	15.
Hog Supplies	1,200.	17.
Marketing Costs	2,223.	32.
Utilities	3,820.	56.
Taxes	775.	11.
Insurance	1,034.	15.
Building Repairs	1,501.	22.
Machinery & Equipment Expense	1,410.	20.
Auto Expenses	1,397.	20.
Interest - Operating	6,606.	96.
Miscellaneous	3,184.	46.
TOTAL CASH EXPENSES	$ 125,280.	$ 1,819.

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INCOME SUMMARY

Income is one of the key factors studied when analysing a farm business. In this table, two (2) measures of income are summarized.

NET CASH INCOME refers to the difference between Farm Receipts and Cash Expenses. In this size group, this income measure averaged $20,673. per farm or $303. on a per sow basis.

NET FARM INCOME is the difference between Farm Receipts and Cash Expenses with adjustments made for inventory increase, depreciation and interest on long term borrowings. For the farms included in this group, Net Farm Income was $3,723. per farm or $54. on a per sow basis.

TABLE B-3: INCOME SUMMARY

ITEM	PER FARM	PER SOW
Total Farm Receipts	$ 145,953.	$ 2,122.
Total Cash Expenses	125,280.	1,819.
NET CASH INCOME	$ 20,673.	$ 303.
Plus: Inventory Change	$ 5,023.	$ 73.
Less: Depreciation	13,681.	199.
Interest on Capital Loans	8,294.	121.
NET FARM INCOME	$ 3,723.	$ 54.

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AVERAGE COST OF PORK PRODUCTION

The average cost of producing pork for the 20-99 sow group was $.67 per pound live weight or $.85 per pound dressed weight.

Note that this cost figure does not include a value for operator labor or interest on equity. Instead it is a measure of the cost at the Net Farm Income level. No amount has been added for what is traditionally called "Opportunity Costs".

TABLE B-4: AVERAGE COST OF PORK PRODUCTION

ITEM	PER FARM	PER SOW
Total Cash Expenses (Adj.)	$ 123,818.	$ 1,798.
Less: Cull Sales	3,193.	47.
Inventory Adjustment - Feed	(398.)	(6.)
Plus: Depreciation	13,681.	199.
Interest on Capital Loans	8,294.	121.
TOTAL COSTS	$ 142,998.	$ 2,077.
Total Pounds of Pork Produced (L.W.) (lbs)	214,871	3,114
Ave. Cost of Production (L.W.) ($)	.67	.67
Ave. Cost of Production (D.W.) ($)	.85	.85

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COST ANALYSIS

Feed purchased was the largest single item associated with producing pork. This item averaged 63.4 percent of Total Costs in this group. Feed purchased was followed by depreciation at 9.3 percent, interest on capital loans at 5.6 percent, interest on operating loans at 4.5 percent and labor at 3.6 percent.

TABLE B-5: COST ANALYSIS

ITEM	PERCENT OF TOTAL
Feed Purchased	63.4 %
Swine Purchased	1.5
Hired Labor	3.6
Bedding	0.1
Vet & Drugs	0.7
Hog Supplies	0.8
Marketing Costs	1.5
Utilities	2.6
Taxes	0.5
Insurance	0.7
Building Repairs	1.0
Machinery & Equipment Expense	1.0
Auto Expenses	1.0
Interest - Operating	4.5
Miscellaneous	2.2
Interest - Loans	5.6
Depreciation	9.3
TOTAL	100.0 %

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PRODUCTION ANALYSIS

For this size group, the average number of sows per farm was 69, each averaging 2.00 litters of pigs per year.

There was an average of 20.34 pigs born per sow, with 17.03 of these being weaned. Suckling mortality averaged 14.03 percent.

Sales of market hogs accounted for 93.5 percent of hogs sales. Feeder hog mortality averaged 4.85 percent for these farms.

TABLE B-6: PRODUCTION ANALYSIS

ITEM	PER FARM	PER SOW
Number of Sows	69	1
Number of Boars	4	.05
Number of Litters	138	2.00
Pigs Born	1,399	20.34
Pigs Born Alive	1,325	19.26
Pigs Weaned	1,171	17.03
Pigs Born per Litter	10.17	-
Pigs Born Alive per Litter	9.63	-
Pigs Weaned per Litter	8.52	-
Suckling Mortality (#)	213	3.1
Suckling Mortality (%)	14.03	-
Weanlings Sold	29	0.42
Breeding Stock Sold	4	0.06
Gilts Kept for Replacement	28	0.41
Market Hogs Sold	993	14.39
Other Hogs Sold	7	0.10
Inventory Change ±	(5)	(0.07)
Purchases	17	0.25
Total Hogs Produced	1,171	16.97
Total Hogs Sold	1,061	15.38
Feeder Hog Mortality (#)	57	0.83
Feeder Hog Mortality (%)	4.85	-
Inventory Adjustment ±	75	1.09

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PRODUCTION ANALYSIS

Further analysis of the production coefficients indicated that market hogs were sold at an average dressed weight of 163 pounds with an average Index of 104.1.

Sow culling rates averaged 30.93 percent in this group and for each man equivalent of labor available, 41.5 sows were maintained.

TABLE B-7: PRODUCTION ANALYSIS

ITEM		PER FARM
Ave. Weight per Market Hog (D.W.)	(lbs)	163
Ave. Return per Market Hog	($)	118.31
Sow Mortality	(%)	7.2
Cull Rate on Sows	(%)	30.93
Labor Man Equivalents	(#)	1.66
Sows Kept per Man	(#)	41.54
Total Sales per Man	($)	88,136
Live Hog Produced per Man	(kgs)	58,837
Index - Market Hogs - Ave.		104.1
Index 110+	(%)	6.5
Index 105-109	(%)	44.6
Index 103-104	(%)	18.2
Index 100-102	(%)	21.1
Index 98 & Lower	(%)	9.5

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FEED ANALYSIS

For this size group, feed consumption per hog averaged 1.64 kilograms of creep (pre-starter), 39.38 kilograms of starter and 234.43 kilograms of grower for a total consumption of 275.45 kilograms of feed. This gives a feed conversion of 2.84 pounds of feed for each pound of gain.

Total cost of feed per hog was $76.68 and the feed per sow and boar was 980 kilograms.

TABLE B-8: FEED ANALYSIS

ITEM		PER FARM
Creep per Hog	(kgs)	1.64
Cost Creep/Hog	($)	0.78
Starter per Hog	(kgs)	39.38
Cost Starter/Hog	($)	12.66
Grower per Hog	(kgs)	234.43
Cost Grower/Hog	($)	63.24
Total Feed per Hog	(kgs)	275.45
Total Cost Feed/Hog	($)	76.68
Ave. L.W. Hog Produced	(kgs)	95.40
Feed Converstion - Starter & Grower		2.84
Feed Cost/Kg. L.W. Hog	($)	0.80
Feed Cost/100 lbs. L.W. Hog Produced	($)	36.36
Feed Cost/100 lbs. D.W. Hog Produced	($)	47.04
Creep Cost/Tonne	($)	475.91
Starter Cost/Tonne	($)	321.44
Grower Cost/Tonne	($)	269.78
Feed per Sow & Boar	(kgs)	980

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Section C

100-199 SOWS

RECEIPTS

Receipts from the sale of hogs for this size group averaged 88.4 percent of Total Farm Receipts. Of this amount, market hog sales accounted for 90.6 percent, breeding stock 2.0 percent, cull sows and boars 3.4 percent, weanling sales 3.7 percent and other hogs 0.2 percent.

Total Farm Receipts amounted to $346,662. on a per farm basis or $2,143. on a per sow basis.

TABLE C-1: RECEIPTS

ITEM	PER FARM	PER SOW
Market Hogs	$277,512.	$ 1,716.
Weanlings	11,311.	70.
Gilts - Breeding Stock	3,727.	23.
Boars - Breeding Stock	2,526.	16.
Cull Sows	9,967.	62.
Cull Boars	648.	4.
Other Hogs	645.	4.
TOTAL HOG SALES	$306,336.	$ 1,894.
Stabilization	$ 15,312.	$ 95.
Subsidies	18,311.	113.
Other Income	6,703.	41.
TOTAL FARM RECEIPTS	$346,662.	$ 2,143.

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EXPENSES

Purchased feed was the largest item of cost and accounted for 72.4 percent of Total Cash Expenses. In dollar terms feed amounted to $1,373. on a per sow basis.

Feed was followed by hired labor at 6.6 percent, interest on operating loans at 4.4 percent, purchased livestock at 3.6 percent and utilities at 2.7 percent of Total Cash Expenses.

TABLE C-2: EXPENSES

ITEM	PER FARM	PER SOW
Feed Purchased	$222,125.	$ 1,373.
Swine Purchased	10,920.	68.
Hired Labor	20,165.	125.
Bedding	541.	3.
Vet & Drugs	2,105.	13.
Hog Supplies	1,852.	11.
Marketing Costs	4,311.	27.
Utilities	8,310.	51.
Taxes	987.	6.
Insurance	2,175.	13.
Building Repairs	4,239.	26.
Machinery & Equipment Expense	7,038.	44.
Auto Expenses	1,103.	7.
Interest - Operating	13,574.	84.
Miscellaneous	7,498.	47.
TOTAL CASH EXPENSES	$306,943.	$ 1,898.

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INCOME SUMMARY

Income is one of the key factors studied when analysing a farm business. In this table, two (2) measures of income are summarized.

NET CASH INCOME refers to the difference between Farm Receipts and Cash Expenses. For these farms, this income measure averaged $39,719. per farm or $245. on a per sow basis.

NET FARM INCOME is the difference between Farm Receipts and Cash Expenses with adjustments made for inventory increase, depreciation and interest on long term borrowings. For the farms included in this size group, Net Farm Income was $15,216. per farm or $94. on a per sow basis.

TABLE C-3: INCOME SUMMARY

ITEM	PER FARM	PER SOW
Total Farm Receipts	$346,662.	$ 2,143.
Total Cash Expenses	306,943.	1,898.
NET CASH INCOME	$ 39,719.	$ 245.
Plus: Inventory Change	$ 10,068.	$ 62.
Less: Depreciation	22,504.	139.
Interest on Capital Loans	12,068.	75.
NET FARM INCOME	$ 15,216.	$ 94.

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AVERAGE COST OF PORK PRODUCTION

The average cost of producing pork for this size group was $.64 per pound live weight or $.82 per pound dressed weight.

Note that this cost figure does not include a value for operator labor or interest on equity. Instead, it is a measure of the cost at the Net Farm Income level. No amount has been added for what is traditionally called "Opportunity Costs".

TABLE C-4: AVERAGE COST OF PORK PRODUCTION

ITEM		PER FARM	PER SOW
Total Cash Expenses (Adj.)		$302,222.	$ 1,869.
Less: Cull Sales		10,615.	66.
Inventory Adjustment - Feed		1,715.	11.
Plus: Depreciation		22,504.	139.
Interest on Capital Loans		12,068.	75.
TOTAL COSTS		$324,464.	$ 2,006.
Total Pounds Pork Produced (L.W.)	(lbs)	507,578	3,133
Ave. Cost of Production (L.W.)	($)	.64	.64
Ave. Cost of Production (D.W.)	($)	.82	.82

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COST ANALYSIS

Feed purchased was the largest single item associated with producing pork. In this group, this item averaged 65.0 percent of Total Costs. Feed purchased was followed by depreciation at 66 percent, hired labor at 5.4 percent, interest on operating loans at 4.0 percent and interest on capital loans at 3.5 percent.

TABLE C-5: COST ANALYSIS

ITEM	PERCENT OF TOTAL
Feed Purchased	65.0 %
Swine Purchased	3.2
Hired Labor	5.9
Bedding	0.2
Vet & Drugs	0.6
Hog Supplies	0.6
Marketing Costs	1.3
Utilities	2.4
Taxes	0.3
Insurance	0.6
Building Repairs	1.2
Machinery & Equipment Expense	2.1
Auto Expense	0.3
Interest - Operating	4.0
Miscellaneous	2.2
Interest - Loans	3.5
Depreciation	6.6
TOTAL	100.0 %

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PRODUCTION ANALYSIS

For farms in this group, the average number of sows per farm was 162, each averaging 2.07 litters per year.

There was an average of 21.1 pigs born per sow with 17.34 of these being weaned. Suckling mortality averaged 12.72 percent.

Sales of market hogs accounted for 86.1 percent of hog sales. Feeder hog mortality averaged 3.17 percent for these farms.

TABLE C-6: PRODUCTION ANALYSIS

ITEM	PER FARM	PER SOW
Number of Sows	162	1
Number of Boars	10	.06
Number of Litters	335	2.07
Pigs Born	3,413	21.10
Pigs Born Alive	3,206	19.82
Pigs Weaned	2,804	17.34
Pigs Born per Litter	10.18	-
Pigs Born Alive per Litter	9.57	-
Pigs Weaned per Litter	8.37	-
Suckling Mortality (#)	470	2.91
Suckling Mortality (%)	12.72	-
Weanlings Sold	280	1.70
Breeding Stock Sold	28	0.17
Gilts Kept for Replacement	59	0.36
Market Hogs Sold	2,325	14.40
Other Hogs Sold	7	0.04
Inventory Change ±	58	0.36
Purchases	154	0.95
Total Hogs Produced	2,804	17.31
Total Hogs Sold	2,699	16.70
Feeder Hog Mortality (#)	87	0.54
Feeder Hog Mortality (%)	3.17	-
Inventory Adjustment ±	114	0.70

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PRODUCTION ANALYSIS

Further analysis of the production coefficients indicated that market hogs were sold at an average dressed weight of 166 pounds for this size group, with an average Index of 104.5.

Sow culling rates averaged 38.02 percent, and for each man equivalent of labor available 49.9 sows were maintained.

TABLE C-7: PRODUCTION ANALYSIS

ITEM		PER FARM
Ave. Weight per Market Hog (D.W.)	(lbs)	166
Ave. Return per Market Hog	($)	119.03
Sow Mortality	(%)	5.6
Cull Rate on Sows	(%)	38.02
Labor Man Equivalents	(#)	3.24
Sows Kept per Man	(#)	49.9
Total Sales per Man	($)	106,939
Live Hog Produced per Man	(kgs)	71,209
Index - Market Hogs - Ave.		104.5
Index 110+	(%)	6.2
Index 105-109	(%)	48.7
Index 103-104	(%)	18.9
Index 100-102	(%)	18.8
Index 98 & Lower	(%)	7.4

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FEED ANALYSIS

For the farms in this group, feed consumption per hog averaged 3.01 kilograms of creep (pre-starter), 43.95 kilograms of starter and 230.07 kilograms of grower, for a total consumption of 277.03 kilograms of feed. This gives a feed conversion of 2.87 pounds of feed for each pound of gain.

Total cost of feed per hog was $77.22 and the feed per sow and boar was 960 kilograms.

TABLE C-8: FEED ANALYSIS

ITEM		PER FARM
Creep per Hog	(kgs)	3.01
Cost Creep/Hog	($)	1.53
Starter per Hog	(kgs)	43.95
Cost Starter/Hog	($)	14.09
Grower per Hog	(kgs)	230.07
Cost Grower/Hog	($)	61.60
Total Feed per Hog	(kgs)	277.03
Total Cost Feed/Hog	($)	77.22
Ave. L.W. Hog Produced	(kgs)	96.2
Feed Conversion - Starter & Grower		2.87
Feed Cost/Kg. L.W. Hog	($)	0.80
Feed Cost/100 Lbs. L.W. Hog Produced	($)	36.36
Feed Cost/100 Lbs. D.W. Hog Produced	($)	46.52
Creep Cost/Tonne	($)	508.40
Starter Cost/Tonne	($)	320.49
Grower Cost/Tonne	($)	267.73
Feed per Sow & Boar	(kgs)	960

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Section D

200 + SOWS

RECEIPTS

Receipts from the sale of hogs averaged 88.2 percent of Total Farm Receipts. Of this amount, market hog sales accounted for 85.6 percent, breeding stock sales 2.6 percent, cull sows and boars 3.3 percent and weanling sales 8.5 percent.

Total Farm Receipts amounted to $509,555. on a per farm basis for this size group or $1,937. on a per sow basis.

TABLE D-1: RECEIPTS

ITEM	PER FARM	PER SOW
Market Hogs	$384,858.	$ 1,463.
Weanlings	38,012.	144.
Gilts - Breeding Stock	11,371.	43.
Boars - Breeding Stock	215.	1.
Cull Sows	14,341.	55.
Cull Boars	595.	2.
Other Hogs	84.	-
TOTAL HOG SALES	$449,475.	$ 1,709.
Stabilization	$ 18,092.	$ 69.
Subsidies	21,828.	83.
Other Income	20,159.	77.
TOTAL FARM RECEIPTS	$509,555.	$ 1,937.

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EXPENSES

Purchased feed was the largest item of cost and accounted for 67.9 percent of Total Cash Expenses. In dollar terms, feed amounted to $1,171. on a per sow basis for this size group.

Feed was followed by hired labor at 11.6 percent, interest on operating loans at 4.9 percent, miscellaneous at 3.5 percent and utilities at 3.3 percent of Total Cash Expenses.

TABLE D-2: EXPENSES

ITEM	PER FARM	PER SOW
Feed Purchased	$308,159.	$ 1,171.
Swine Purchased	5,524.	21.
Hired Labor	53,073.	202.
Bedding	842.	3.
Vet & Drugs	3,883.	15.
Hog Supplies	663.	3.
Marketing Costs	4,264.	16.
Utilities	14,902.	57.
Taxes	2,594.	10.
Insurance	4,493.	17.
Building Repairs	7,632.	29.
Machinery & Equipment Expense	4,590.	17.
Auto Expense	5,153.	20.
Interest - Operating	22,102.	84.
Miscellaneous	16,015.	60.
TOTAL CASH EXPENSES	$453,889.	$ 1,722.

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INCOME SUMMARY

Income is one of the key factors studied when analysing a farm business. In this table, two (2) measures of income are summarized.

NET CASH INCOME refers to the difference between Farm Receipts and Cash Expenses. For these farms, this income measure averaged $55,666. per farm or $215. on a per sow basis.

NET FARM INCOME is the difference between Farm Receipts and Cash Expenses with adjustments made for inventory increase, depreciation and interest on long term borrowings. For the farms included in this size group, Net Farm Income averaged $9,218. per farm or $39. on a per sow basis.

TABLE D-3: INCOME SUMMARY

ITEM	PER FARM	PER SOW
Total Farm Receipts	$509,555.	$ 1,937.
Total Cash Expenses	453,889.	1,722.
NET CASH INCOME	$ 55,666.	$ 215.
Plus: Inventory Change	$ (4,504.)	$ (17.)
Less: Depreciation	25,847.	98.
Interest on Capital Loans	16,096.	61.
NET FARM INCOME	$ 9,218.	$ 39.

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AVERAGE COST OF PORK PRODUCTION

For the farms in this group, the average cost of producing pork was $.67 per pound live weight or $.86 per pound dressed weight.

Note that this figure does not include a value for operator labor or interest on equity. Instead it is a measure of the cost at the Net Farm Income level. No amount has been added for what is traditionally called "Opportunity Costs".

TABLE D-4: AVERAGE COST OF PORK PRODUCTION

ITEM	PER FARM	PER SOW
Total Cash Expenses (Adj.)	$443,248.	$ 1,682.
Less: Cull Sales	14,936.	57.
Inventory Adjustment - Feed	(8,801.)	(33.)
Plus: Depreciation	25,847.	98.
Interest on Capital Loans	16,096.	61.
TOTAL COSTS	$479,056.	$ 1,817.
Total Pounds Pork Produced (L.W.) (lbs)	715,079	2,719
Ave. Cost of Production (L.W.) ($)	.67	.67
Ave. Cost of Production (D.W.) ($)	.86	.86

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COST ANALYSIS

Feed purchased was the largest single item associated with producing pork. This item averaged 62.2 percent of total costs. Feed purchased was followed by hired labor at 10.7 percent, depreciation at 5.2 percent, interest on operating loans at 4.5 percent, interest on capital loans at 3.3 percent and miscellaneous at 3.2 percent.

TABLE D-5: COST ANALYSIS

ITEM	PERCENT OF TOTAL
Feed Purchased	62.2 %
Swine Purchased	1.1
Hired Labor	10.7
Bedding	0.2
Vet & Drugs	0.8
Hog Supplies	0.1
Marketing Costs	0.9
Utilities	3.0
Taxes	0.5
Insurance	0.9
Building Repairs	1.5
Machinery & Equipment Expense	0.9
Auto Expense	1.0
Interest - Operating	4.5
Miscellaneous	3.2
Interest - Loans	3.3
Depreciation	5.2
TOTAL	100.0 %

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PRODUCTION ANALYSIS

For farms in this size group, the average number of sows was 263, each averaging 2.08 litters of pigs per year.

There was an average of 21.65 pigs born per sow with 17.25 of these being weaned. Suckling mortality averaged 17.28 percent.

Sales of market hogs accounted for 73.5 percent of hog sales. Feeder hog mortality averaged 4.26 percent for these farms.

TABLE D-6: PRODUCTION ANALYSIS

ITEM	PER FARM	PER SOW
Number of Sows	263	1
Number of Boars	13	.05
Number of Litters	547	2.08
Pigs Born	5,696	21.65
Pigs Born Alive	5,303	20.16
Pigs Weaned	4,538	17.25
Pigs Born per Litter	10.41	-
Pigs Born Alive per Litter	9.69	-
Pigs Weaned per Litter	8.29	-
Suckling Mortality (#)	1,038	3.94
Suckling Mortality (%)	17.28	-
Weanlings Sold	957	3.64
Breeding Stock Sold	62	0.23
Gilts Kept for Replacement	114	0.43
Market Hogs Sold	3,153	11.99
Other Hogs Sold	2	-
Inventory Change ±	(68)	(0.26)
Purchases	-	-
Total Hogs Produced	4,537	17.30
Total Hogs Sold	4,288	16.30
Feeder Hog Mortality (#)	196	0.74
Feeder Hog Mortality (%)	4.26	-
Inventory Adjustment ±	92	0.35

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PRODUCTION ANALYSIS

Further analysis of the production coefficients indicated that market hogs were sold at an average dressed weight of 168 pounds and with an average Index of 104.3 for the farms in this size group.

Sow culling rates averaged 33.83 percent and for each man equivalent of labor available 40.47 sows were maintained.

TABLE D-7: PRODUCTION ANALYSIS

ITEM		PER FARM
Ave. Weight per Market Hog (D.W.)	(lbs)	168
Ave. Return per Market Hog	($)	121.99
Sow Mortality	(%)	4.18
Cull Rate on Sows	(%)	33.83
Labor Man Equivalents	(#)	6.5
Sows Kept per Man	(#)	40.47
Total Sales per Man	($)	78,393
Live Hog Produced per Man	(kgs)	50,005
Index - Market Hogs - Ave.		104.3
Index 110+	(%)	8.3
Index 105-109	(%)	45.9
Index 103-104	(%)	16.5
Index 100-102	(%)	19.1
Index 98 & Lower	(%)	10.1

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FEED ANALYSIS

For the farms in this size group, feed consumption per hog averaged 2.26 kilograms of creep (pre-starter), 56.68 kilograms of starter and 229.40 kilograms of grower, for a total consumption of 288.34 kilograms of feed. This gives a feed conversion of 2.98 pounds of feed for each pound of gain.

Total cost of feed per hog was $79.12 and the feed per sow and boar was 994 kilograms.

TABLE D-8: FEED ANALYSIS

ITEM		PER FARM
Creep per Hog	(kgs)	2.26
Cost Creep/Hog	($)	1.21
Starter per Hog	(kgs)	56.68
Cost Starter/Hog	($)	17.78
Grower per Hog	(kgs)	229.40
Cost Grower/Hog	($)	60.13
Total Feed per Hog	(kgs)	288.34
Total Cost Feed/Hog	($)	79.12
Ave. L.W. Hog Produced	(kgs)	97.2
Feed Conversion - Starter & Grower		2.98
Feed Cost/Kg. L.W.Hog	($)	0.81
Feed Cost/100 Lbs. L.W. Hog Produced	($)	36.82
Feed Cost/100 Lbs. D.W. Hog Produced	($)	47.09
Creep Cost/Tonne	($)	535.72
Starter Cost/Tonne	($)	316.58
Grower Cost/Tonne	($)	242.84
Feed per Sow & Boar	(kgs)	994

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Section E

ALL FARMS

RECEIPTS

Receipts from the sale of hogs averaged 87.3 percent of Total Farm Receipts. Of this amount, market hog sales accounted for 90.5 percent, weanling sales 4.3 percent, cull sow and boars 3.1 percent, breeding stock sales 1.8 percent, and other hogs 0.3 percent.

Total Farm Receipts amounted to $258,537. on a per farm basis or $2,067. on a per sow basis.

TABLE E-1: RECEIPTS

ITEM	PER FARM	PER SOW
Market Hogs	$204,136.	$ 1,632.
Weanlings	9,733.	78.
Gilts - Breeding Stock	3,223.	26.
Boars - Breeding Stock	793.	6.
Cull Sows	6,707.	54.
Cull Boars	378.	3.
Other Hogs	611.	5.
TOTAL HOG SALES	$225,581.	$ 1,804.
Stabilization	$ 10,643.	$ 85.
Subsidies	13,745.	110.
Other Income	8,569.	69.
TOTAL FARM RECEIPTS	$258,537.	$ 2,067.

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EXPENSES

Purchased feed was the largest item of cost and accounted for 71.6 percent of Total Cash Expenses. In dollar terms, feed amounted to $1,301. on a per sow basis.

Feed was followed by hired labor at 7.5 percent, interest on operating loans at 4.8 percent, utilities at 3.0 percent, and miscellaneous at 2.8 percent of Total Cash Expenses.

TABLE E-2: EXPENSES

ITEM	PER FARM	PER SOW
Feed Purchased	$162,657.	$ 1,301.
Swine Purchased	5,113.	41.
Hired Labor	16,961.	136.
Bedding	400.	3.
Vet & Drugs	1,775.	14.
Hog Supplies	1,292.	10.
Marketing Costs	3,117.	25.
Utilities	6,808.	54.
Taxes	1,122.	9.
Insurance	1,895.	15.
Building Repairs	3,223.	26.
Machinery & Equipment Expense	3,451.	28.
Auto Expense	1,914.	15.
Interest - Operating	10,971.	88.
Miscellaneous	6,402.	51.
TOTAL CASH EXPENSES	$227,101.	$ 1,816.

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INCOME SUMMARY

Income is one of the key factors studied when analysing a farm business. In this table, two (2) measures of income are summarized.

NET CASH INCOME refers to the difference between Farm Receipts and Cash Expenses. For these farms, this income measure averaged $31,436. per farm or $251. on a per sow basis.

NET FARM INCOME is the difference between Current Income and Current Expenses with adjustments made for inventory increase, depreciation and interest on long term borrowings. For the farms included in the study, Net Farm Income averaged $7,732. or $62. per sow.

TABLE E-3: INCOME SUMMARY

ITEM	PER FARM	PER SOW
Total Farm Receipts	$258,537.	$ 2,067.
Total Cash Expenses	227,101.	1,816.
NET CASH INCOME	$ 31,436.	$ 251.
Plus: Inventory Change	$ 4,883.	$ 39.
Less: Depreciation	18,023.	144.
Interest on Capital Loans	10,564.	84.
NET FARM INCOME	$ 7,732.	$ 62.

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AVERAGE COST OF PORK PRODUCTION

For the farms in this study, the average cost of producing pork was $.66 per pound live weight or $.84 per pound dressed weight.

Note that this cost figure does not include a value for operator labor or interest on equity. Instead it is a measure of the cost at the Net Farm Income level. No amount has been added for what is traditionally called "Opportunity Costs".

TABLE E-4: AVERAGE COST OF PORK PRODUCTION

ITEM		PER FARM	PER SOW
Total Cash Expenses (Adj.)		$223,290.	$ 1,786.
Less: Cull Sales		7,085.	57.
Inventory Adjustment - Feed		(1,158.)	(9.)
Plus: Depreciation		18,023.	144.
Interest on Capital Loans		10,564.	84.
TOTAL COSTS		$245,950.	$ 1,966.
Total Pounds Pork Produced (L.W.)	(lbs)	374,279	2,994
Ave. Cost of Production (L.W.)	($)	.66	.66
Ave. Cost of Production (D.W.)	($)	.84	.84

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COST ANALYSIS

Feed purchased was the largest single item associated with producing pork. This item averaged 63.6 percent of Total Costs. Feed purchased was followed by depreciation at 7.1 percent, hired labor at 6.6 percent, interest on operating loans at 4.3 percent and interest on capital loans at 4.1 percent.

TABLE E-5: COST ANALYSIS

ITEM	PERCENT OF TOTAL
Feed Purchased	63.6 %
Swine Purchased	2.0
Hired Labor	6.6
Bedding	0.2
Vet & Drugs	0.7
Hog Supplies	0.5
Marketing Costs	1.2
Utilities	2.7
Taxes	0.4
Insurance	0.7
Building Repairs	1.3
Machinery & Equipment Expense	1.4
Auto Expense	0.7
Interest - Operating	4.3
Miscellaneous	2.5
Interest - Loans	4.1
Depreciation	7.1
TOTAL	100.0 %

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PRODUCTION ANALYSIS

For farms in this study, the average number of sows per farm was 125, each averaging 2.05 litters of pigs per year.

There was an average of 21.05 pigs born per sow with 17.21 of these being weaned. Suckling mortality averaged 14.66 percent.

Sales of market hogs accounted for 84.1 percent of hog sales. Feeder hog mortality averaged 4.07 percent for these farms.

TABLE E-6: PRODUCTION ANALYSIS

ITEM	PER FARM	PER SOW
Number of Sows	125	1
Number of Boars	7	.05
Number of Litters	257	2.05
Pigs Born	2,632	21.05
Pigs Born Alive	2,471	19.76
Pigs Weaned	2,152	17.21
Pigs Born per Litter	10.26	-
Pigs Born Alive per Litter	9.63	-
Pigs Weaned per Litter	8.39	-
Suckling Mortality (#)	414	3.31
Suckling Mortality (%)	14.66	-
Weanlings Sold	245	1.96
Breeding Stock Sold	20	0.16
Gilts Kept for Replacement	50	0.40
Market Hogs Sold	1,700	13.60
Other Hogs Sold	6	0.05
Inventory Change ±	14	0.11
Purchases	52	0.42
Total Hogs Produced	2,152	17.22
Total Hogs Sold	2,021	16.17
Feeder Hog Mortality (#)	88	0.70
Feeder Hog Mortality (%)	4.07	-
Inventory Adjustment ±	81	0.65

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PRODUCTION ANALYSIS

Further analysis of the production coefficients indicated that market hogs were sold at an average dressed weight of 165 pounds and with an average index of 104.4 for the farms in the study. The average index for hogs marketed in the province was 103.4

Sow culling rates averaged 34.4 percent and for each man equivalent of labor available, 43.70 sows were maintained.

TABLE E-7: PRODUCTION ANALYSIS

ITEM		PER FARM
Ave. Weight per Market Hog (D.W.)	(lbs)	165
Ave. Return per Market Hog	($)	119.66
Sow Mortality	(%)	5.60
Cull Rate on Sows	(%)	34.4
Labor Man Equivalents	(#)	2.86
Sows Kept per Man	(#)	43.70
Total Sales per Man	($)	90,426
Live Hog Produced per Man	(kgs)	59,485
Index - Market Hogs - Ave.		104.4
Index 110+	(%)	6.9
Index 105-109	(%)	46.5
Index 103-104	(%)	18.0
Index 100-102	(%)	19.7
Index 98 & Lower	(%)	8.9

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FEED ANALYSIS

For the farms in the study, feed consumption per hog averaged 2.48 kilograms of creep (pre-starter), 43.19 kilograms of starter and 232.41 kilograms of grower, for a total consumption of 278.06 kilograms of feed. This gives a feed conversion of 2.88 pounds of feed for each pound of gain.

Total cost of feed per hog was $75.72 and the feed per sow and boar was 976 kilograms.

TABLE E-8: FEED ANALYSIS

ITEM		PER FARM
Creep per Hog	(kgs)	2.48
Cost Creep/Hog	($)	1.25
Starter per Hog	(kgs)	43.19
Cost Starter/Hog	($)	13.55
Grower per Hog	(kgs)	232.41
Cost Grower/Hog	($)	60.92
Total Feed per Hog	(kgs)	278.06
Total Cost Feed/Hog	($)	75.72
Ave. L.W. Hog Produced	(kgs)	96.3
Feed Conversion - Starter & Grower		2.88
Feed Cost/Kg. L.W. Hog	($)	0.79
Feed Cost/100 Lbs. L.W. Hog Produced	($)	35.91
Feed Cost/100 Lbs. D.W. Hog Produced	($)	45.89
Creep Cost/Tonne	($)	504.52
Starter Cost/Tonne	($)	313.82
Grower Cost/Tonne	($)	262.14
Feed per Sow & Boar	(kgs)	976

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Section F

Summary

S U M M A R Y

The 1981 Nova Scotia Swine Farm Business Summary provides basic information and statistics on the costs and returns associated with the swine enterprise on Nova Scotia farms. While not based on a statistically sound random sample of swine farms, the summary can be used with care to assist in the analysis of the swine enterprise by providing group average data for comparison purposes.

In reviewing the information contained in previous pages, the following points can be noted:

- Average farm size measured in terms of sow numbers was 125 sows.
- Average litters per sow per year was 2.05.
- Average pigs weaned per sow per year was 17.21.
- Average sales of hogs per sow per year was 16.17.
- Average market hog dressed weight was 165 pounds.
- Average feed consumption per market hog was 278.06 kilograms for a feed conversion of 2.88.
- Average index of market hogs was 104.

In compiling the data for this summary, extreme variation among farms was noted. This variation was observed in most factors of returns, costs and management factors. Below, we outline a number of the variations observed.

- Net Farm Income had a range of $1,670. per sow between the highest and lowest net incomes on a per sow basis.
- Total feed cost per sow had a range of $1,089.00.
- Feed cost as a percent of total costs varied between 79.5 percent and 45.5 percent.

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- Kilograms of feed fed per hog raised varied as much as 261 kilograms.
- Pigs weaned per sow varied as much as 9.7 pigs per year.
- Sows kept per man equivalent had a range of 55 sows between the highest and lowest numbers of sows per man.

With such wide variation in many of the returns, costs and management factors, it is difficult to isolate specific characteristics that result in a profitable swine unit. It would appear, however, that a number of the key factors of production outlined above such as production, cost control, efficient use of capital and labor, are of significant importance in determining the success of the farm unit.

Those farm operators who successfully combined these factors of production in the management and operation of their farm units achieved a reasonable return to their labor, capital and management skills.

POOR

QUALITY

ORIGINAL